



D.C. Public Service Commission Approves Phased-In Doubling of Net Energy Metering Generation Cap

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Net metering, as described in the Order, “allows an owner of rooftop solar panels [or other eligible renewable energy system] to participate in the electric grid as a distributed energy producer. Solar panels first supply power to the home [or business], and at times when the [system] produces more power than the home [or business] is using the power is sent back onto the grid to be used by other customers. The meter ‘spins’ backwards, subtracting the power sent onto the grid from the total power used by the consumer. . . . [A]t the end of the month the consumer is charged only for net electricity used.”⁵ Previously, an eligible customer-generator in D.C. was allowed to “‘install generation that is forecast to provide no more than 100 percent of its annual historic use,’ which limits the amount a customer may receive or be credited for the excess generation exported to the grid.”⁶ Here, in connection with its [PowerPath initiative](#), the PSC determined that “the generating threshold for net energy metering systems for individual behind-the-meter generators should be increased beyond 100 percent of the customer’s historical usage” to support and advance D.C.’s renewable energy goals.⁷ Phasing in the change over five years seeks to strike a balance between quickly modernizing the energy system in D.C. and protecting against adverse reliability, safety and cost impacts on the electric distribution system.⁸

Under the new scheme, “excess generation not used in a previous month will remain on the customer’s account as a rolling kWh credit amount. Any monthly excess generation, used to offset [that] month’s usage, will be calculated and credited to the customer at the full retail rate[, which includes the combined rate for generation, supply, and distribution]. Any total

remaining excess kWh at the end of the [calendar year], will be compensated at the generation rate only.”⁹ Remainders over \$25 will be refunded to the customer.¹⁰ To guard against adverse impacts that might arise from additional interconnections of larger behind-the-meter generation systems, the PSC also directed its “NEM Working Group to meet after July 1, 2021, to review and discuss the impacts of the 2020 and 2021 threshold increases in generation of customer-generators on the electric distribution system.”¹¹ In addition, on or before October 1, 2021, and each October 1 thereafter, if Pepco “identifies a reliability, safety, or cost impact on the electric distribution system caused by the implementation of the [new] Generation Threshold Schedule,” it can request suspension of the increase in the following year.¹² Absent such a request, the increase will take place automatically on January 1 each year.¹³

¹ RM9-2020-03, *In the Matter of 15 DCMR Chapter 9 – Net Energy Metering*, Order No. 20387 (Aug. 6, 2020) (“Order”).

² See 15 DCMR § 999 (defining “customer-generator” as “a residential or commercial customer that owns (or leases or contracts) and operates an electric generating facility that: (a) has a capacity of not more than 1000 kilowatts; (b) uses renewable resources, cogeneration, fuel cells, or microturbines; (c) is located on the customer’s premises; (d) is interconnected with the Electric Company’s transmission and distribution facilities; and (e) is intended primarily to offset all or part of the customer’s own electricity requirements.”).

³ Order at P 1.

⁴ See *id.* n.1.

⁵ *Id.* n.5.

⁶ *Id.* P 2 (footnote omitted).

⁷ *Id.* PP 2, 13.

⁸ See *id.* P 10.

⁹ Id. P 5.

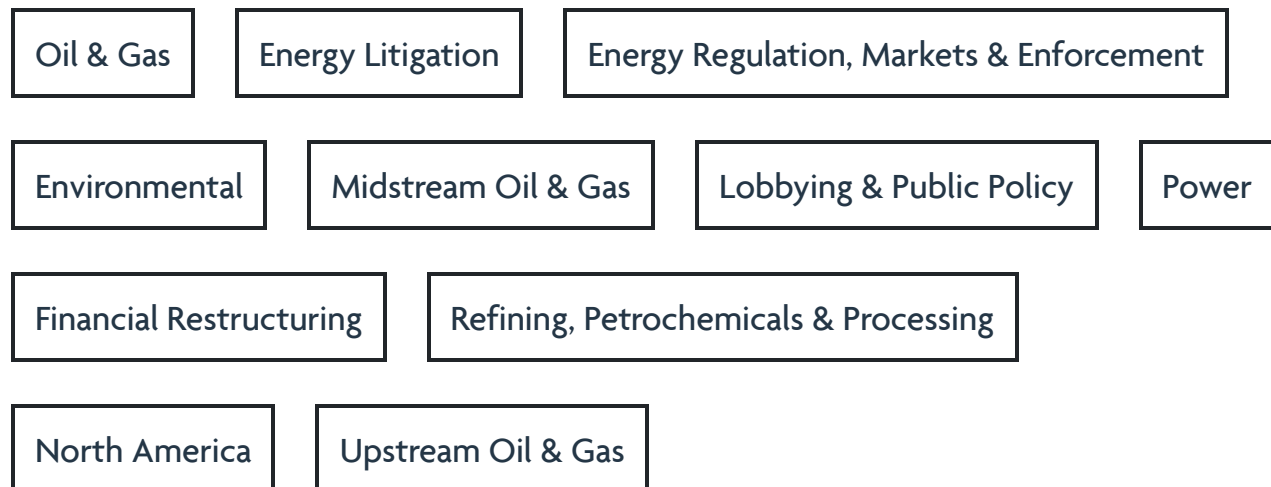
¹⁰ Id.

¹¹ Id. P 11.

¹² See id. P 4. See also 15 DCMR § 901.2(b) (as amended).

¹³ See 15 DCMR § 901.2(b) (as amended).

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